

EXHIBIT II

SETTLEMENT AGREEMENT AND GENERAL RELEASE

This Settlement Agreement and General Release (the "Agreement") is entered into by and between Travelers Indemnity Company (as defined below and referred to as "Travelers"), and Conopco Inc. (as defined below and referred to as "Conopco"). Travelers and Conopco are collectively referred to herein as the "Parties."

WHEREAS, Travelers issued certain policies to Thomas J. Lipton, Inc. ("Lipton"), see Exhibit A, (hereinafter referred to as the "Policies"); and

WHEREAS, Lawry's Foods, Inc. ("Lawry") was a subsidiary of Lipton at the time the Policies were issued; and

WHEREAS, subsequent to the Policies being issued to Lipton, Lipton underwent a series of corporate changes beginning on December 31, 1988, with the result that by December 31, 1989, Conopco Inc. ("Conopco") was the successor-in-interest to Lipton; and

WHEREAS, in the Lawsuit captioned Chemical Plating Company v. Donald Walker, Stringer et al., U.S.D.C., C.D. of CA, Lipton and Lawry are Cross-Defendants in the First Amended Cross-Claim, and Conopco is a Counter-Defendant in the Counter-Claim; and

WHEREAS, in the lawsuit captioned Nesta M. Klar v. Conopco, Inc., U.S.D.C., C.D. of CA, Conopco is a Counter-Defendant in the Counter-Claim (both of the above referenced lawsuits are hereinafter referred to as the "Lawsuits"); and

WHEREAS, the Lawsuits seek reimbursement of clean-up costs pertaining to real property legally described as Lot 18 of the Specia Tract, as recorded in the Official Records of Los Angeles County, California and which was formerly known as 2002 Huron Street, Los Angeles, California (the "Site"); and

WHEREAS, on December 4, 1995, Travelers agreed to defend Lipton, Lawry, and Conopco in the Lawsuits, subject to a complete reservation of rights; and

WHEREAS, Lipton, Lawry, and Conopco desire to settle fully the Lawsuits; and

WHEREAS, Travelers desires to settle fully all obligations it may have as to Lipton, Lawry and Conopco pursuant to the Policies and to avoid the costs, expenses and inconvenience of litigation.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises contained herein, the Parties agree as follows:

TERMS AND CONDITIONS

1. PAYMENT.

G. "Governmental Agency" means (i) the United States, any territory, commonwealth, state, any county, any city or any municipality, (ii) any subdivision, instrumentality, department or agency of any of the foregoing, or (iii) the government (or any subdivision, instrumentality, department or agency thereof) of any sovereign state, county or entity anywhere within the policy territory as defined by each of the respective Policies.

H. Each defined term stated in a singular form shall include the plural form, and each defined term stated in a plural form shall include the singular form.

3. RELEASE BY CONOCOPCO.

In consideration of the promises contained in this Agreement, and except as expressly otherwise provided in this Agreement, Conoco hereby releases and discharges Travelers from any and all liability (including but not limited to any liability as the term may be utilized in or interpreted under any of the Policies) for any and all past, present or future Claims, demands, allegations or obligations, whether or not presently known, which have been, could have been, or may be asserted by any person or entity against Conoco, or any person or entity for whom Conoco may be liable, or directly against Travelers, or by Conoco against Travelers, arising out of or related to (1) any obligation of Travelers to indemnify or defend Conoco in connection with any Hazardous Claims in connection with the Site; or (2) any alleged bad faith, violation of the California Insurance Code, other insurer misconduct or other wrongdoing of any kind by Travelers in connection with the Policies, the Lawsuits, or the Site.

4. INDEMNIFICATION.

In the event that any Person claiming an interest in or derived from either the Policies or based upon any theory of abrogation, indemnity, contribution, equitable allocation, apportionment, third-party beneficiary or otherwise (including but not limited to any named insured or person insured under the Policies), asserts a claim or brings an action against Travelers which, in any manner or fashion, arises from or relates to the actual or alleged presence, disposal, discharge, dispersal, emission, seepage, release or escape of Hazardous Waste at, onto, beneath or from the Site, Conoco shall indemnify and hold Travelers harmless from any such claim or action and shall pay all reasonable attorneys' fees and costs incurred by Travelers in defending against such claim or action.

5. RESERVATION OF RIGHTS.

Neither the existence of this Agreement nor any action taken pursuant to its terms shall be construed in any way to prejudice the interests or rights of the parties hereto. Conoco hereby reserves all of its rights against its insurers, other than Travelers, and Travelers reserves all of its rights against any other insurer of Conoco; however, Travelers agrees not to exercise its rights against other insurers who are a party to the settlement of the Lawsuits.

6. CIVIL CODE SECTION 1542 WAIVER.

Couopco and Travelers hereby expressly waive all rights under the provisions of Section 1542 of the Civil Code and the State of California and any similar rights and in any State or territory or under any similar statute or regulation of the United States or any of its agencies. Section 1542 of the California Civil Code reads as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. CONFIDENTIALITY OF AGREEMENT.

The Parties agree, that, except to the extent that disclosure may be required by law, the terms of this Agreement are and shall be confidential and shall be kept confidential and secret by the Parties to this Agreement, and their respective attorneys, agents and employees, except that the Parties may disclose the contents of this Agreement to their respective attorneys, auditors, accountants, and reinsurers. This Agreement and its terms may also be disclosed by the Parties in any action or proceeding where the existence or terms of the Agreement are at issue in any such action or proceeding and a protective order or confidentiality agreement is sought in advance to limit dissemination and disclosure of the Agreement and its terms.

8. NOT EVIDENTIARY.

Except to enforce its terms, no part of this Agreement may be used in any litigation or other proceeding as evidence of the respective rights, duties or obligations of Travelers under the Policy.

9. NO ADMISSION.

This Agreement is a compromise of disputed claims. Neither the execution of this Agreement, nor the payment of any consideration pursuant thereto, shall be deemed to be an admission of liability by Travelers, which continues to deny any liability.

10. CONSTRUCTION.

The Parties have each participated in the drafting of this Agreement after consulting with counsel. Therefore, the language of this Agreement shall not be presumptively construed either in favor of or against any of the Parties hereto.

11. BINDING ON SUCCESSORS.

The provisions of this Agreement shall inure to the benefit of, and shall be binding upon, the heirs, administrators, assigns, and successors in interest of each of the Parties.

12. INTEGRATION.

This Agreement constitutes an integration of the entire understanding and agreement of the Parties with respect to the subject matter hereof. Any representations, warranties, promises or conditions, whether written or oral, not specifically and expressly incorporated in this Agreement, shall not be binding on any of the Parties, and each of the Parties acknowledges that they have not relied, in entering into this Agreement, on any representations, warranty, promise or condition, not specifically and expressly set forth in this Agreement. All prior discussions and writings have been, and are, merged and integrated into, and are superseded by, this Agreement.

13. AMENDMENTS.

Any amendments or modifications to this Agreement shall be deemed null and void unless such amendments and modifications are in writing, specifically refer to this Agreement, and are signed by authorized representatives of each of the Parties.

14. AUTHORITY TO EXECUTE.

The individuals executing this Agreement represent and warrant that they are unconditionally authorized to execute this Agreement on behalf of each respective Party.

15. SEVERABILITY.

A finding of invalidity as to any provision or section of this Agreement shall only void that provision or section, and no other. This Agreement shall be construed as if the invalid provision or section thereof were not contained in this Agreement.

16. COUNTERPARTS.

This Agreement may be executed in multiple counterparts, each of which, when solely executed, shall be deemed an original, but all of which counterparts together shall constitute one and the same instrument. This Agreement shall become effective on the date each of said originals has been signed by each of the Parties hereto and each Party has received by facsimile transmission the signature page from the other Party.

17. HEADINGS.

The headings within this Agreement are for the purpose of reference only and shall not limit or otherwise affect any of the terms of this Agreement.

IN WITNESS WHEREOF, the parties, by their duly authorized representatives, affix
their signatures hereto on the date opposite their signature.

Date: February 25, 1997

CONOPOC, INC.

By: Arnold I. Friede

Name: Arnold I. Friede

Title: Vice President and General
Counsel

Date: March 4, 1997

TRAVELERS INDEMNITY COMPANY

By: Marc Van Vickle

Name: Marc Van Vickle

Title: Second Vice President

Thomas J. Lipton, Inc.

<u>Policy Number</u>	<u>Policy Period</u>
TR-NSL-149T736-A-78	10/1/80 - 10/1/81 ¹²
TR-NSL-149T736-A-81	10/1/81 - 10/1/82
TR-NSL-149T736-A-82	10/1/82 - 10/1/83
TR-NSL-149T736-A-83	10/1/83 - 11/1/84
TR-SLG-149T738-3-80	10/1/80 - 10/1/81
TR-SLG-149T738-3-81	10/1/81 - 10/1/82
TR-SLG-149T738-3-82	10/1/82 - 10/1/83
TR-SLG-149T738-3-83	10/1/83 - 11/1/84

¹² The referenced policy period is part of a three-year policy issued for the period from October 1, 1978 to October 1, 1981.

¹³ The policies issued under number TR-NSL-149T736-A are "manuscript" policies, which means their terms were uniquely constructed by Lipton and Traveler. Consequently, the language of the manuscript policies is used for coverage analysis. The policies issued contemporaneously, under number TR-SLG-149T738-3, are intended to represent the unique terms of the manuscript policies in standardized language.